

MINUTES
WATERLOO REGIONAL AIRPORT BOARD
Tuesday, May 5, 2020

I. ROLL CALL

Vice Chair Scott Voigt called the meeting to order via Zoom at 12:02 p.m.

Board Members Present: Chuck Needham, Arlene Humble, Gwenne Berry, Cary Darrah and Scott Voigt.

Board Members Absent: Hugh Field

City Officials Present: Martin Petersen, City Attorney; Council Member Ray Feuss and Council Member Margaret Klein.

Airport Staff Present: Keith Kaspari, Airport Director and Sheila Combs, Airport Bookkeeper.

Other Attendees: Tim Newton, Livingston Aviation; Doug Schindel and David Hughes, AECOM; and, several members of the Air Service Working Group.

II. AGENDA AS RECEIVED OR AMENDED

Mr. Kaspari stated that he would like to start with the New Business Items since some members need to drop off the meeting around 1 p.m. He would like Will Berchelmann to make his presentation first (New Business, Item VII. D).

III. PUBLIC COMMENTS

None.

IV. REPORTS

A. Airport Director

Mr. Voigt asked if there is any runway work scheduled for this year.

Mr. Kaspari stated that the project to reconstruct Taxiway B will be bid this year, but with the grant issued by FAA in the late summer, construction work will be scheduled for CY-2021.

The work planned for summer 2020 will include tree removal; cleaning, routing and sealing the East Terminal Apron; and, reconstruction of the West General Aviation Apron.

- B. Monthly Planning & Development Report – N/A
- C. Legislative Information – No discussion. Information in Member’s Packets.
- D. Misc. Monthly Airport Reports

Reviewed and discussed the YTD budget, AA Performance and Fares. As expected, enplanements dropped off significantly mid-March.

One piece of good news is that fares are much lower than they’ve been, and are very comparable to Cedar Rapids, Dubuque and Des Moines.

V. BOARD APPROVAL

- A. Approval of Minutes of the March 3, 2020 Regular Meeting

Mrs. Humble moved that the minutes of the March 3, 2020 meeting be approved, seconded by Mr. Needham. Ayes: 3. Motion carried.

- B. Motion to Receive and File March 2020 Expenses

Mrs. Humble moved that the March 2020 expenses be received and filed, seconded by Mr. Needham. Ayes: 3. Motion carried.

- C. Motion to Receive and File April 2020 Expenses

Mrs. Humble moved that the April 2020 expenses be received and filed, seconded by Mrs. Berry. Ayes: 3. Motion carried.

VI. OLD BUSINESS

- A. Update: American Airlines – Return of Airport & Airline Use Agreement.

Mr. Kaspari stated that he had been working with American officials prior to the pandemic and was close to getting the Airline Use Agreement signed and returned. That is now on-hold due to the COVID-19 pandemic.

- B. Update: A-Line / POS Airline Hangar (Progress Update).

Mr. Kaspari stated that construction is coming along very well and the hangar is looking beautiful. They are hoping to receive their Certificate of Occupancy before the end of May.

- C. Update: Osprey Aviation (Progress Update).

Mr. Kaspari stated that work on the new hangar had formally started on April 29th.

D. Update: Status of Agreement and Payment of Lease Rent with Kingfisher Aviation.

Marty Petersen, City Attorney, stated that he has made several attempts to communicate but things are moving slowly. Kingfisher principals want to make a couple of small changes to the lease but Mr. Petersen feels they are getting close to a signed document.

E. Update: FY-2020 FAA Funded Projects.

Mr. Kaspari stated that FAA Grants issued in 2020 will be funded @ 100%, with no match required by the City / Airport.

F. Update: Air Methods Corp. Relocation from Passenger Terminal to Airfield.

Mr. Kaspari stated that the relocation request is going through the approval process.

G. Update: FAA and DHS/TSA Relocation – Shift of Passenger Terminal Office Areas.

Mr. Kaspari stated that the relocation of the TSA into FAA's 2nd floor offices has been pushed back due to FAA extending their lease to stay in their current offices for an additional 6 months.

VII. NEW BUSINESS

A. Air Service Working Group:

Request Board Endorsement of ASWG Marketing Sub-Committee.

David Deeds explained that the Air Service Working Group has put together a marketing sub-committee to help ALO position itself to recover from the COVID-19 pandemic.

The mission statement is, "to provide guidance and advice on the development of a new brand identity, website and a three-year marketing plan for the Waterloo Regional Airport".

Mrs. Humble moved the Board support the ASWG Marketing Sub-Committee, seconded by Mrs. Darrah.

Mr. Voigt stated that he wants to make sure actions come back to the Airport Board for approval and that the sub-committee won't be acting on its own.

This was confirmed. Ayes: 4. Motion carried.

B. Request by Tim Newton, GM of Livingston Aviation:
Reduction & Deferment in Lease Rent Fees.

Tim Newton stated that in the last two months, and due to the pandemic, Jet-A fuel and AvGas sales are down 80%, flight training stopped six weeks ago, and aircraft maintenance is also down almost 80%.

Mr. Newton is requesting a rent reduction to \$1,000.00 per month from May 2020 through October 2020.

Beginning November 1, 2020, Livingston would start repaying the deferred rent ($\$2,738.90 \times 6 = \$16,433.40$) over the remaining 44 months of their lease (June 30, 2024), adding \$373.49 to their regular rent of \$3,738.90, for a revised total of \$4,112.39 per month.

Mrs. Darrah moved approval of the request, seconded by Mrs. Berry. Ayes: 4. Motion carried.

Mr. Kaspari stated that he would work with the City Attorney to draft an amendment to the FBO lease amendment for signatures, but until that is done that the verbal agreement would be honored.

Mrs. Darrah pointed out that these minutes would then serve as the official record of the agreement.

C. FAA Approval for the Use and Expenditure of CARES Act Funding at \$1,098,305.

Board discussed the tentative list of projects for CARES Act funding, as outlined in the Director's Report, No: 30.

Mr. Kaspari stated that \$300,000 has been designated for operating expenses to cover revenue shortfalls caused by the pandemic.

He also stated that the term of the grant will be 4 years from the date executed and that the FAA will allow grant amendments if more (or less) funding is needed to cover operational costs.

Mrs. Humble moved approval of the projects listed for use of the grant funds, with the condition that it can be amended before the end of the four-year period, to use additional funds for operational costs if needed; seconded by Mrs. Berry. Ayes: 4.

Motion carried.

D. Air Service Update:

Will Berchelmann, Air Service Consultant, Volaire Aviation Services, Inc.

Will Berchelmann made a presentation to the Board on what he expects the Post-COVID 19 world to look like for the airline industry.

With airlines expected to come out of the pandemic much smaller, he stated that ALO must show a turnaround with passengers returning to fly out of Waterloo.

Mr. Berchelmann stated that being a part of the EAS program may work to our advantage, as American will receive a subsidy from the USDOT to continue to serve Waterloo, while other small airports may need to provide a Minimum Revenue Guaranty (MRG) in order to keep from losing air service.

If during the current EAS period, May 1, 2020 – April 30, 2022, we can show a strong recovery and gain passengers, we could come out stronger than we were prior to the pandemic.

VIII. STAFF AND BOARD MEMBER COMMENT

Mr. Voigt asked if the Board packet could be sent out a day or two earlier to allow Board members more time to review the information than they currently have, receiving the packet on the Friday before the meeting.

Mr. Needham agreed that the current timing forces them to review the packet over the weekend.

Mr. Kaspari stated that he will aim for having everything ready to send out the Wednesday prior to the meeting dates.

IX. ADJOURNMENT

Mrs. Humble moved that the meeting be adjourned at 1:30 p.m., seconded by Mr. Needham. Ayes: 3. Motion carried.

Respectfully submitted,


Hugh M. Field, Chairperson